

Superseded

L E A S E

THIS LEASE is made at Fullerton, California, this 2nd day of August, 1980, by and between BAKER DEVELOPMENT COMPANY, a partnership, ("Lessor"), and PCA METAL FINISHING, INC., ("Lessee").

Subject to the covenants, terms and conditions set forth below, Lessor leases to Lessee the premises situated in the County of Orange, City of Fullerton, State of California, commonly known as 1706, 1710, 1712, 1720, 1724, 1726 East Rossllyn, and 1711, 1723, 1725 East Kimberly, and more particularly described as outlined in Exhibit A attached hereto, together with all improvements now existing or hereafter installed thereon, subject to governmental regulations and matters of record ("premises").

1. TERM. The term of this Lease shall commence as of August 4, 1980 and terminate on May 31, 1987, unless sooner terminated pursuant to any provision hereof.

2. BASIC RENT. The basic rent shall be the sum of \$4,500.00 per month, payable monthly in advance at such place as may be designated by Lessor in writing on the first day of each calendar month during the term hereof.

In addition to the basic rent set forth above, Lessee's rental obligation, all as more particularly set forth in this Lease, includes payment of amounts attributable to real property taxes and assessments, utilities, and insurance premiums.

Commencing July 1, 1982, and throughout the remaining term of the Lease, the rental shall be adjusted to reflect one-half of the increase, if any, in the consumers price index (all items) between January 1, 1977 and December 31, 1982, as follows:

The percentage of increase between said periods shall be determined by utilizing the Consumer's Price Index of the U. S. Department of Labor for the Los Angeles-Long Beach Area (or similar index if such is no longer published) and the rental shall be increased in direct proportion (as to 50% thereof); provided, however, that in no event shall the rental be less than \$4,500.00 per month or more than \$5,400.00 per month.

3. SECURITY DEPOSIT. Lessee has deposited with Lessor the sum of \$8,700.00 as security for Lessee's performance of the provisions of this Lease. If Lessee breaches this Lease, then Lessor may use or retain the whole or any part of the deposit to defray any expense or damage incurred by reason of such breach including, but not limited to (i) payment of past due rent, (ii) repairing any damages to the premises, or (iii) cleaning the premises. If Lessor actually resorts to all or any portion of the deposit to remedy Lessee's breach, then Lessee shall immediately pay to Lessor that amount necessary to restore the deposit to its original amount.

If Lessee is not in breach of this Lease at the end of the term thereof, then Lessor shall return the deposit to Lessee by either paying the deposit directly to Lessee or crediting Lessee's account. Lessor's obligation respecting the deposit is that of a debtor, not a trustee; the deposit may be commingled or dissipated, or both, and no interest shall accrue thereon.

4. USE. The premises shall be used and occupied only for the following purposes: Commercial and manufacturing purposes as lawful pursuant to all appropriate laws and ordinances.

Lessee shall, at Lessee's expense, comply promptly with all covenants, conditions and restrictions of record and all applicable statutes, ordinances, zoning restrictions, rules, regulations, orders and requirements of duly constituted public authorities now existing or hereafter enacted which in any manner affect the premises.

Lessee shall not permit any unlawful occupation, business or trade to be conducted on the premises, or any use to be made thereof contrary to any of the laws, ordinances or regulations mentioned above. Lessee shall not use or permit the use of the premises in any manner which will tend to create waste or a nuisance.

5. UTILITIES. Lessee shall pay for all water, gas, heat, light, power, telephone and all other utilities and services supplied to the premises.

6. ASSIGNMENT AND SUBLEASING. Lessee shall not assign this lease in whole or in part by operation of law or otherwise without the prior written consent and approval of Lessor first had and obtained, and any such assignment without such written consent shall be invalid for all purposes. Lessor agrees not to unreasonably withhold consent to a financially responsible person or entity made for adequate business reasons.

Lessee shall have the right from time to time to sublet a portion of the leased premises without obtaining the consent of Landlord on the following terms and conditions: any sub-Lessee must agree in writing to take the premises subject to all of the terms of the master lease and Lessee shall notify Lessor in writing of the name, address and responsible agent of the Sublessee. It is further agreed that Lessee shall continue to be held liable for the performance of all of the terms, promises and conditions of this lease, including but

not limited to the payment of rental and other charges. Any dissolution merger or sale or transfer of a controlling percentage of the common stock of Lessee shall be deemed to be an assignment within the prohibition of this section.

7. TAXES AND ASSESSMENTS. Lessee agrees to pay all real property taxes and assessments levied and assessed against the leased premises, including all such taxes for the second one-half of 1980-81 tax year and ^{prorated to} termination of the term of the lease. Lessor shall notify Lessee of the amount of the real property taxes and furnish Lessee with a copy of the tax bill. Lessee agrees to pay the real property taxes at least semi-annually, not later than ten days before the delinquency date of the taxes and to furnish evidence to Lessor of said payment. It is contemplated that the premises will be separately assessed. Until such time as the premises are separately assessed, Lessee agrees to pay Lessee's proportionate share of the real property taxes and assessments upon improvements and land based upon Lessee's prorata portion of land and improvements in the parcel or parcels in the tax assessment parcel. The term "taxes" shall include any tax imposed upon the Lessor by the State of California or political subdivision thereof or the Internal Revenue Service which is based or measured in whole or in part by amounts received as gross rentals by Lessor under this lease. In no event, however, shall Lessee be required to pay any income taxes of Lessor or inheritance taxes or estate taxes.

Lessee shall pay before delinquency all taxes, assessments, license fees, and other charges that are levied and assessed against Lessee's personal property located upon the premises.

8. CONDITION AND MAINTENANCE OF PREMISES. Lessee's acceptance of possession of the premises shall constitute Lessee's acknowledgment that the premises are in good and tenantable condition. Should any standard or regulation now or hereafter be imposed on Lessor or Lessee by any body, state

or federal, charged with the establishment, regulation and enforcement of occupational health or safety standards for employees, employers, lessors or lessees, then Lessee agrees, at its sole cost and expense, to comply promptly with such standards or regulations.

Lessee shall keep and maintain the premises in a good, clean and sanitary order, condition and repair. It is understood that Lessee's use of the premises involves a utilization of the premises causing more wear and tear than ordinary light manufacturing; accordingly, Lessee agrees to take such measures including a repair and maintenance program which will result in returning the premises in good condition subject to ordinary wear and tear of a light manufacturing business. If Lessee fails to keep and maintain the premises as aforesaid and such failure is not cured within ten (10) days after Lessor's written notice to Lessee of such failure, then Lessor shall have the option (but not the obligation) to enter upon the premises and clean, repair or otherwise maintain the same to the extent that Lessee has failed to do so. The costs and expenses incurred by Lessor in so doing shall be payable by Lessee to Lessor promptly upon demand, or at the option of Lessor, shall be included in the next basic monthly rent installment. On the last day of the term hereof, or on any sooner termination, Lessee shall surrender the premises to Lessor in the said condition of an ordinary light manufacturing business, broom clean, ordinary wear and tear excepted.

Lessor, after the commencement of this Lease, shall not be required to make any expenditure whatsoever in connection with this Lease or to make any alterations or repairs to maintain the premises in any way during the term hereof.

9. ALTERATIONS AND ADDITIONS. Except as provided below in regard to Lessee's trade fixtures, Lessee shall not make any alterations, improvements, or additions in, on or

about the premises ("Alterations") without Lessor's prior written consent. Any damage caused to the premises by reason of removal of trade fixtures shall be repaired and paid for by Lessee prior to Lessee's vacation of the premises. Lessor may at the termination of this Lease, at Lessor's option, require the removal by Lessee at its expense of such trade fixtures. Any trade fixtures and other property of Lessee not removed from the premises prior to the termination of this Lease, at the option of Lessor, shall be deemed abandoned by Lessee and be and become the property of Lessor.

10. MECHANICS LIENS. Lessee shall not permit any mechanics', laborers', or materialmen's liens to stand against the premises, or against Lessor's or Lessee's interest therein by reason of any work, labor, services or material done for, or supplied to or claimed to have been done for or supplied to Lessee or anyone holding the premises through or under Lessee. If any such lien shall at any time be recorded against the premises or against Lessor's or Lessee's interest therein, then Lessee shall (i) give written notice thereof promptly to Lessor and (ii) cause the same to be discharged of record within thirty (30) days after the date of recording the same, either by payment, deposit or bond. If Lessee fails to discharge any such lien within such period, then Lessor, in addition to any other right or remedy hereunder, shall have the option (but not the obligation) to procure the discharge of such lien either by depositing the amount claimed to be due in court, or by bonding. Any amount paid or deposited by Lessor to discharge such lien, and all costs and other expenses, including all attorney's fees, incurred in defending any action to foreclose such lien, shall be payable by Lessee to Lessor

as additional rent on demand, or, at Lessor's election, on the next basic monthly rent installment date.

11. DAMAGE OR DESTRUCTION. During the lease term, Lessee shall, at its own expense, maintain in full force a policy of fire insurance as set forth below. In the event of a loss under such insurance the proceeds shall be payable to Lessor and shall be held in trust to be used for the reconstruction or repair of building. In case the premises shall be partially or totally destroyed by fire or other casualty insurable under such insurance, so as to become partially or totally untenable, the same shall be repaired or rebuilt by Lessor as speedily as possible utilizing the insurance proceeds. The insurance proceeds shall be held in trust in a bank escrow during construction with provision for payments to the contractor upon a voucher system. Lessee shall pay as rental during the period such work is being carried on, and until its completion, the proportion which represents the portion of the premises being utilized by Lessee for the carrying on of its business. If destruction in excess of 25% of the insurable value of the premises occurs in the last two years of the term, either party may elect by written notice to the other within thirty (30) days after the destruction to terminate the Lease. In such event the insurance proceeds shall be retained by Lessor.

12. INSURANCE.

A. General. All insurance provided for herein, shall name Lessor as an additional insured. In the event there is a deductible clause in any standard form policy in use in the State of California, then the amount deducted from the coverage by said clause shall be borne by Lessee. Any

insurance containing a deductible clause of One Thousand Dollars (\$1,000) or less in the standard form policy shall not, by virtue of said deductible clause, be regarded as unsatisfactory.

B. Public Liability Insurance. Lessee, at its own cost and expense, shall procure and keep in force during the term of this Lease a policy of comprehensive public liability insurance covering the premises and any liability Lessee assumes under this Lease, with a combined single limit coverage of not less than \$1,000,000 with respect to personal injury, death or property damage resulting from any one occurrence. The minimum limits of coverage mentioned above shall not limit Lessee's liability under this Lease.

C. Fire Insurance. Lessee shall obtain at Lessee's expense fire insurance insuring the premises against loss or damage by those risks covered by "all risk" or special extended coverage, including, but not limited to endorsements covering losses sustained by reason of fire and lightning, vandalism and malicious mischief. The fire insurance policy, and all endorsements thereto shall be in the full replacement value of the premises.

The policies evidencing all insurance referred to in this subparagraph shall provide for losses to be adjusted with and payable to Lessor, with Lessor to hold in trust for reconstruction as set forth above.

D. Insurance Policies. Lessee shall deliver to Lessor acceptable evidence of all insurance policies and endorsements thereto which Lessee is required to procure and maintain hereunder in companies satisfactory to Lessor. The policies shall provide that they shall not be cancelled or

modified except after thirty (30) days' prior written notice of intention to modify or cancel has been given by the insurance company to Lessor. At least thirty (30) days prior to the expiration date of any policy to be maintained by Lessee hereunder, Lessee shall deliver to Lessor acceptable evidence of renewal or "binder" thereof.

13. EXEMPTION AND INDEMNITY OF LESSOR FROM LIABILITY.

Lessee agrees to protect, indemnify and save Lessor and the premises free and harmless from and against any and all claims, demands and causes of action of any nature whatsoever (other than arising from the negligence of Lessor or its employees), and any expense, including but not limited to all attorney's fees, incurred or incident to Lessor's defense of any demand, claim or action for injury to or death of persons or loss or damage to property occurring on the premises, or the adjoining sidewalks, streets, or ways, or in any manner growing out of or connected with the Lessee's use and occupation of the premises, or the condition thereof, or of the adjoining sidewalks, streets or ways. Lessor shall not be liable for any personal injury to Lessee or to its officers, agents, or employees or to any other occupant or user of the premises, or for any damage to any property of Lessee or of any other occupant of the premises.

14. CONDEMNATION. In the event the premises, or any part thereof shall be condemned or taken by eminent domain, or sold to a public body having the power of condemnation under threat thereof (hereinafter "taken"), then this Lease shall terminate as to the part taken, and any and all award of compensation arising from such taking shall be paid and belong to Lessor, except for any award for damage to Lessee's trade fixtures, which latter award shall belong to Lessee, and there

shall be an abatement in rent payable after the taking and during the balance of the term hereof in the proportion that the ground floor area of the premises taken bears to the total ground floor area of the premises immediately prior to said taking. If such taking results in the cumulative taking of more than ten percent (15%) of the ground floor area of the premises, or more than twenty-five percent (25%) of the area of the premises not occupied by buildings, then Lessee may by notice within ten (10) days after possession has been taken by the condemning authority terminate this Lease. In the event Lessee does not terminate, then Lessee shall repair any damages to the premises and improvements and the award shall be made available to Lessee for such purpose in the same manner as provided above in regard to fire insurance proceeds.

In the event Lessee is entitled to terminate this Lease under the provisions pertaining to condemnation herein, then nothing herein shall be construed so as to deny Lessee any right it may have to receive any compensation of displacement provided for under federal or state law.

15. BREACH BY LESSEE. Lessee shall be in breach of this Lease if at any time during the term of this Lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity, or before any administrative tribunal, which have or might have the effect of preventing the Lessee from complying with the terms of this Lease):

A. Lessee fails to make payment of any basic monthly installment of rent or of any other sum herein specified to be paid by Lessee, and such failure is not cured within three (3) days after Lessor's written notice to Lessee of such failure or payment; or

B. Lessee fails to observe or perform any of its other covenants, agreements or obligations hereunder, and such failure is not cured within thirty (30) days after Lessor's written notice to Lessee of such failure; provided, however, that if the nature of Lessee's obligation is such that more than thirty (30) days are required for performance, then Lessee shall not be in breach if Lessee commences performance within such 30 day period and thereafter diligently prosecutes the same to completion; or

C. Lessee becomes insolvent, or makes a transfer in fraud of its creditors, or makes an assignment for the benefit of its creditors; or

D. Lessee voluntarily files, or has filed against it, a petition under any section or chapter of the Federal Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, or Lessee is adjudged bankrupt or insolvent in proceedings filed by or against Lessee thereunder; or

E. A receiver or trustee is appointed for all or substantially all of Lessee's assets; or

F. Lessee has abandoned the premises.

16. REMEDIES OF LESSOR.

A. If Lessee breaches this Lease, Lessor may recover from Lessee:

(1) The worth at the time of award of the unpaid rent which had been earned at the time of termination;

(2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided;

(3) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for such period that Lessee proves could be reasonably avoided; and

(4) Any other amount necessary to compensate Lessor for all the damage proximately caused by Lessee's breach of its obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom.

B. Notwithstanding the foregoing, in the event Lessee has breached this Lease, the Lease, at Lessor's option, shall continue in full force and effect so long as Lessor does not terminate Lessee's right to possession of the premises, and in such event Lessor may enforce all of his rights and remedies under the lease, including the right to recover rent as it becomes due.

C.

(1) The "worth at the time of award" of the amounts referred to above in subparagraph A(1) and (2) shall be computed by allowing interest at the rate of ten percent (10%) per annum. The "worth at the time of award" of the amount referred to above in subparagraph A(3) shall be computed by discounting such amounts at the discount rate of the Federal Reserve Bank of San Francisco in effect at the time of award, plus one percent (1%).

(2) The "detriment proximately caused by Lessee's breach" referred to above in subparagraph A(4) shall include, without limitation, any and all broker's commissions incurred in re-leasing the premises.

(3) Any efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not waive Lessor's right to recover the damages set forth above.

(4) No right or remedy conferred upon or reserved to Lessor in this

Lease is intended to be exclusive of any other right or remedy granted to Lessor by statute or common law, and each and every such right and remedy shall be cumulative.

1. LESSOR'S ACCESS. Lessor and Lessor's agents shall have the right to enter the premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, or lenders, and making such alterations, repairs, improvements or additions to the premises or to the building of which they are a part as Lessor may deem necessary or desirable. Lessor may at any time place on or about the premises any ordinary "For Sale" signs and Lessor may, at any time during the last ninety (90) days of the term thereof place on or about the premises any ordinary "For Lease" signs, all without rebate of rent or liability to Lessee,
2. HOLDING OVER. In the event Lessee holds over after the termination of this Lease, such holding over shall not be considered as being a renewal of this Lease, but rather shall be construed to be a tenancy from month to month under the same terms and conditions as provided in this Lease, ex

. cept that the basic monthly rent shall be an amount equal to the amount set forth in this Lease increased by a percentage thereof equal to the percentage increase in the applicable

U. S. Bureau of Labor Statistics, All Items, Consumer Price Index from the commencement of the term of this Lease to the scheduled termination date of this Lease. In no event, however, shall the basic monthly rental during the holdover period be lower than the basic monthly rental during the original term of this Lease,

19. ATTORNEY'S FEES. In the event either Lessor or Lessee shall bring any action or proceeding for damages for any alleged breach of any provision of this Lease, to recover rents, or to enforce, protect, or establish any right or remedy of either party, the prevailing party shall be entitled to recover as part of, or incident to, such action or proceeding, all attorneys' fees and court costs incurred in the preparation and processing of such action or proceedings.

20. NOTICES. Whenever notices are required to be given pursuant to the provisions of this Lease, notices shall be sent to either party, in writing and postage prepaid by certified or registered mail, addressed as follows:

To the Lessor at: c/o Daniel W. Holden
300 S. Harbor Bl., Suite 910
Anaheim, California 92805

To the Lessee at: the premises

Fullerton, California

Either party may change such address by written notice to the other party.

21. MISCELLANEOUS. It is understood and agreed that for convenience the premises at 1706 East Rosslynn and as defined in Exhibit A hereto, are being leased to Lessee under the terms and conditions of this Lease. It is understood, however, that the said premises at 1706 East Rosslynn consisting of a 3,000 square foot building and the parking premises to the rear thereof, are in fact owned by Colleen Frojen and Nancy Alexander, the daughters of Lois and Colin Baker. Lessor agrees to make such allocations of rental as may be necessary to effectuate the purposes of this Lease, and Lessee need not be concerned therewith.

Lessee agrees to consent to any parcel map or subdivision as required by the City of Fullerton for the purposes of separating Lessee's parcel as a separate legal parcel.

Lessor and Lessee have caused this Lease to be
executed as of the day and year first above written

LESSOR: BAKER DEVELOPMENT COMPANY,
A partnership composed of
the following:

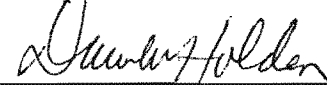
LESSEE: PCA METAL FINISHING,
INC.

Lois S. Baker, et al, Trustees of
the Lois and Colin Baker Trust by


Lois S. Baker

BY _____
Its _____

Daniel W. Holden, Trustee of the
Toups-Powers Trust


Daniel W. Holden

The undersigned, jointly and severally, in consideration
of Lessors entering into the within lease with PCA METAL FINISHING,
INC., guarantee full and faithful performance by Lessee of all the
promises and conditions on the part of Lessee to be performed under
all terms of the lease. The undersigned waive all notices of non-
performance and agree that Lessor may serve such notices upon Lessee;
and that Lessor and Lessee may agree to modify the lease from time
to time without notice to the undersigned, but that the undersigned
will be liable only for the rental and charges as set forth in this
lease.

PACIFIC CLARK-AIKEN CORP.

By _____

Frederick M. Myers

Robert H. Winters

James C. Hart

Armand Amezaga

William G. Pinonnault

LEASE

THIS LEASE is made at Fullerton, California, this 29th day of August, 1986, by and between BAKER DEVELOPMENT COMPANY, a partnership, ("Lessor"), and PCA METAL FINISHING, INC., ("Lessee").

Subject to the covenants, terms and conditions set forth below, Lessor leases to Lessee the premises situated in the County of Orange, City of Fullerton, State of California, commonly known as 1706, 1710, 1712, 1720, 1724, 1726 East Rosslyn, and 1711, 1723, 1725 East Kimberly, and more particularly described as outlined in Exhibit "A" attached hereto, together with all improvements now existing or hereafter installed thereon, subject to governmental regulations and matters of record ("premises").

1. TERM. The term of this Lease shall commence as of June 1,, 1987 and terminate on May 31, 1992, unless sooner terminated pursuant to any provision hereof.

2. BASIC RENT. The basic rent shall be the sum of \$9,000.00 per month, payable monthly in advance at such place as may be designated by Lessor in writing on the first day of each calendar month during the term hereof.

In addition to the basic rent set forth above, Lessee's rental obligation, all as more particularly set forth in this Lease, includes payment of amounts attributable to real property taxes and assessments, utilities, and insurance premiums.

On November 30, 1989, for the remainder of the Lease term, the basic rental shall be adjusted to reflect the increase, if any, in the cost of living as reflected in the Consumer Price

Index (CPI). The percentage of increase between the month preceding commencement of this Lease term and the month of October, 1989 shall be determined by using the CPI for LA-Long Beach-Anaheim (urban consumers all wage earnings) published by the Department of Labor (or similar index if that is no longer published), and the rental from November 30, 1989 to the end of the Lease shall be increased in direct proportion thereto; provided, however, that the basic rental shall not be increased to more than \$11,000.00 per month.

3. SECURITY DEPOSIT. Lessee has deposited with Lessor the sum of \$8,700.00 as security for Lessee's performance of the provisions of this Lease. If Lessee breaches this Lease, then Lessor may use or retain the whole or any part of the deposit to defray any expense or damage incurred by reason of such breach including, but not limited to (i) payment of past due rent, (ii) repairing any damages to the premises, or (iii) cleaning the premises. If Lessor actually resorts to all or any portion of the deposit to remedy Lessee's breach, then Lessee shall immediately pay to Lessor that amount necessary to restore the deposit to its original amount.

If Lessee is not in breach of this Lease at the end of the term thereof, then Lessor shall return the deposit to Lessee by either paying the deposit directly to Lessee or crediting Lessee's account. Lessor's obligation respecting the deposit is that of a debtor, not a trustee; the deposit may be commingled or dissipated, or both, and no interest shall accrue thereon.

4. USE. The premises shall be used and occupied only for the following purposes: Commercial and manufacturing purposes as lawful pursuant to all appropriate laws and ordinances.

Lessee shall, at Lessee's expense, comply promptly with all covenants, conditions and restrictions of record and all applicable statutes, ordinances, zoning restrictions, rules, regulations, orders and requirements of duly constituted public authorities now existing or hereafter enacted which in any manner affect the premises.

Lessee shall not permit any unlawful occupation, business or trade to be conducted on the premises, or any use to be made thereof contrary to any of the laws, ordinances or regulations mentioned above. Lessee shall not use or permit the use of the premises in any manner which will tend to create waste or a nuisance.

5. UTILITIES. Lessee shall pay for all water, gas, heat, light, power, telephone and all other utilities and services supplied to the premises.

6. ASSIGNMENT AND SUBLEASING. Lessee shall not assign this lease in whole or in part by operation of law or otherwise without the prior written consent and approval of Lessor first had and obtained, and any such assignment without such written consent shall be invalid for all purposes. Lessor agrees not to unreasonably withhold consent to a financially responsible person or entity made for adequate business reasons.

Lessee shall have the right from time to time to sublet a portion of the leased premises without obtaining the consent of Landlord on the following terms and conditions: any sub-Lessee must agree in writing to take the premises subject to all of the terms of the master lease and Lessee shall notify Lessor in writing of the name, address and responsible agent of the Sublessee. It is further agreed that Lessee shall continue to be held liable for the performance of all of the terms, promises and conditions of this lease, including but

not limited to the payment of rental and other charges. Any dissolution merger or sale or transfer of a controlling percentage of the common stock of Lessee shall be deemed to be an assignment within the prohibition of this section.

7. TAXES AND ASSESSMENTS. Lessee agrees to pay all real property taxes and assessments levied and assessed against the leased premises. Lessor shall notify Lessee of the amount of the real property taxes and furnish Lessee with a copy of the tax bill. Lessee agrees to pay the real property taxes at least semi-annually, not later than ten days before the delinquency date of the taxes and to furnish evidence to Lessor of said payment. It is contemplated that the premises will be separately assessed. Until such time as the premises are separately assessed, Lessee agrees to pay Lessee's proportionate share of the real property taxes and assessments upon improvements and land based upon Lessee's prorata portion of land and improvements in the parcel or parcels in the tax assessment parcel. The term "taxes" shall include any tax imposed upon the Lessor by the State of California or political subdivision thereof or the Internal Revenue Service which is based or measured in whole or in part by amounts received as gross rentals by Lessor under this Lease. In no event, however, shall Lessee be required to pay any income taxes of Lessor or inheritance taxes or estate taxes.

Lessee shall pay before delinquency all taxes, assessments, license fees, and other charges that are levied and assessed against Lessee's personal property located upon the premises.

8. CONDITION AND MAINTENANCE OF PREMISES. Lessee's acceptance of possession of the premises shall constitute Lessee's acknowledgment that the premises are in good and tenantable condition. Should any standard or regulation now or

hereafter be imposed on Lessor or Lessee by any body, state, or federal, charged with the establishment, regulation and enforcement of occupational health or safety standards for employees, employers, lessors or lessees, then Lessee agrees, at its sole cost and expense, to comply promptly with such standards or regulations.

Lessee shall keep and maintain the premises in a good, clean and sanitary order, condition and repair. It is understood that Lessee's use of the premises involves a utilization of the premises causing more wear and tear than ordinary light manufacturing; accordingly, Lessee agrees to take such measures including a repair and maintenance program which will result in returning the premises in good condition subject to ordinary wear and tear of a light manufacturing business. If Lessee fails to keep and maintain the premises as aforesaid and such failure is not cured within ten (10) days after Lessor's written notice to Lessee of such failure, then Lessor shall have the option (but not the obligation) to enter upon the premises and clean, repair, or otherwise maintain the same to the extent that Lessee has failed to do so. The costs and expenses incurred by Lessor in so doing shall be payable by Lessee to Lessor promptly upon demand, or at the option of Lessor, shall be included in the next basic monthly rent installment. On the last day of the term hereof, or on any sooner termination, Lessee shall surrender the premises to Lessor in the said condition of an ordinary light manufacturing business, broom clean, ordinary wear and tear excepted.

Lessee specifically agrees at its sole cost and expense to comply with all environmental laws and agencies and to dispose of all hazardous wastes during and upon termination of the term of this Lease.

Lessor, after the commencement of this Lease, shall not be required to make any expenditure whatsoever in connection with

this Lease or to make any alterations or repairs to maintain the premises in any way during the term hereof.

9. ALTERATIONS AND ADDITIONS. Except as provided below in regard to Lessee's trade fixtures, Lessee shall not make any alterations, improvements, or additions in , on or about the premises ("Alterations") without Lessor's prior written consent. Any damage caused to the premises by reason or removal of trade fixtures shall be repaired and paid for by Lessee prior to Lessee's vacation of the premises. Lessor may at the termination of this Lease, at Lessor's option, require the removal by Lessee at its expense of such trade fixtures. Any trade fixtures and other property of Lessee not removed from the premises prior to the termination of this Lease, at the option of Lessor, shall be deemed abandoned by Lessee and be and become the property of Lessor.

10. MECHANICS' LIENS. Lessee shall not permit any mechanics', laborers', or materialmen's liens to stand against the premises, or against Lessor's or Lessee's interest therein by reason of any work, labor, services or material done for, or supplied to or claimed to have been done for or supplied to Lessee or anyone holding the premises through or under Lessee. If any such lien shall at any time be recorded against the premises or against Lessor's or Lessee's interest therein, then Lessee shall (i) give written notice thereof promptly to Lessor and (ii) cause the same to be discharged of record within thirty (30) days after the date of recording the same, either by payment, deposit or bond. If Lessee fails to discharge any such lien within such period, then Lessor, in addition to any other right or remedy hereunder, shall have the option (but not the obligation) to procure the discharge of such lien either by depositing the amount claimed to be due in court, or by bonding. Any amount paid or deposited by Lessor to discharge such lien,

and all costs and other expenses, including all attorney's fees, incurred in defending any action to foreclose such lien, shall be payable by Lessee to Lessor as additional rent or demand, or, at Lessor's election, on the next basic monthly rent installment date.

11. DAMAGE OR DESTRUCTION. During the lease term, Lessee shall, at its own expense, maintain in full force a policy of fire insurance as set forth below. In the event of a loss under such insurance the proceeds shall be payable to Lessor and shall be held in trust to be used for the reconstruction or repair of building. In cash the premises shall be partially or totally destroyed by fire or other casualty insurable under such insurance, so as to become partially or totally untenable, the same shall be repaired or rebuilt by Lessor as speedily as possible utilizing the insurance proceeds. The insurance proceeds shall be held in trust in a bank escrow during construction with provision for payments to the contractor upon a voucher system. Lessee shall pay as rental during the period such work is being carried on, and until its completion, the proportion which represents the portion of the premises being utilized by Lessee for the carrying on of its business. If destruction in excess of 25% of the insurable value of the premises occurs in the last two years of the term, either party may elect by written notice to the other within thirty (30) days after the destruction to terminate the Lease. In such event the insurance proceeds shall be retained by Lessor.

12. INSURANCE.

A. General. All insurance provided for herein, shall name Lessor as an additional insured. In the event there is a deductible clause in any standard form policy in use in the State of California, then the amount deducted from the coverage by said clause shall be borne by Lessee. Any

insurance containing a deductible clause of One Thousand Dollars (\$1,000) or less in the standard form policy shall not, by virtue of said deductible clause, be regarded as unsatisfactory.

B. Public Liability Insurance. Lessee, at its own cost and expense, shall procure and keep in force during the term of this Lease a policy of comprehensive public liability insurance covering the premises and any liability Lessee assumes under this Lease, with a combined single limit coverage of not less than \$1,000,000 with respect to personal injury, death or property damage resulting from any one occurrence. The minimum limits of coverage mentioned above shall not limit Lessee's liability under this Lease.

C. Fire Insurance. Lessee shall obtain at Lessee's expense fire insurance insuring the premises against loss or damage by those risks covered by "all risk" or special extended coverage, including, but not limited to endorsements covering losses sustained by reason of fire and lightning, vandalism and malicious mischief. The fire insurance policy, and all endorsements thereto shall be in the full replacement value of the premises.

The policies evidencing all insurance referred to in this subparagraph shall provide for losses to be adjusted with and payable to Lessor, with Lessor to hold in trust for reconstruction as set forth above.

D. Insurance Policies. Lessee shall deliver to Lessor acceptable evidence of all insurance policies and endorsements thereto which Lessee is required to procure and maintain hereunder in companies satisfactory to Lessor. The policies shall provide that they shall not be cancelled or

modified except after thirty (30) days' prior written notice of intention to modify or cancel has been given by the insurance company to Lessor. At least thirty (30) days prior to the expiration date of any policy to be maintained by Lessee hereunder, Lessee shall deliver to Lessor acceptable evidence of renewal or "binder" thereof.

13. EXEMPTION AND INDEMNITY OF LESSOR FROM LIABILITY.

Lessee agrees to protect, indemnify and save Lessor and the premises free and harmless from and against any and all claims, demands and causes of action of any nature whatsoever (other than arising from the negligence of Lessor or its employees), and any expense, including but not limited to all attorney's fees, incurred or incident to Lessor's defense of any demand, claim or action for injury to or death of persons or loss or damage to property occurring on the premises, or the adjoining sidewalks, streets, or ways, or in any manner growing out of or connected with the Lessee's use and occupation of the premises, or the condition thereof, or of the adjoining sidewalks, streets or ways. Lessor shall not be liable for any personal injury to Lessee or to its officers, agents, or employees or to any other occupant or user of the premises, or for any damage to any property of Lessee or of any other occupant of the premises.

14. CONDEMNATION. In the event the premises, or any part thereof, shall be condemned or taken by eminent domain, or sold to a public body having the power of condemnation under threat thereof (hereinafter "taken"), then this Lease shall terminate as to the part taken, and any and all award of compensation arising from such taking shall be paid and belong to Lessor, except for any award for damage to Lessee's trade fixtures, which latter award shall belong to Lessee, and there

shall be an abatement in rent payable after the taking and during the balance of the term hereof in the proportion that the ground floor area of the premises taken bears to the total ground floor area of the premises immediately prior to said taking. If such taking results in the cumulative taking of more than ten percent (15%) of the ground floor area of the premises, or more than twenty-five percent (25%) of the area of the premises not occupied by buildings, then Lessee may by notice within ten (10) days after possession has been taken by the condemning authority terminate this Lease. In the event Lessee does not terminate, then Lessee shall repair any damages to the premises and improvements and the award shall be made available to Lessee for such purpose in the same manner as provided above in regard to fire insurance proceeds.

In the event Lessee is entitled to terminate this Lease under the provisions pertaining to condemnation herein, then nothing herein shall be construed so as to deny Lessee any right it may have to receive any compensation of displacement provided for under federal or state law.

15. BREACH BY LESSEE. Lessee shall be in breach of this Lease if at any time during the term of this Lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity, or before any administrative tribunal, which have or might have the effect of preventing the Lessee from complying with the terms of this Lease):

A. Lessee fails to make payment of any basic monthly installment of rent or of any other sum herein specified to be paid by Lessee, and such failure is not cured within three (3) days after Lessor's written notice to Lessee of such failure or payment; or

B. Lessee fails to observe or perform any of its other covenants, agreements or obligations hereunder, and such failure is not cured within thirty (30) days after Lessor's written notice to Lessee of such failure; provided, however, that if the nature of Lessee's obligation is such that more than thirty (30) days are required for performance, then Lessee shall not be in breach if Lessee commences performance within such 30 day period and thereafter diligently prosecutes the same to completion; or

C. Lessee becomes insolvent, or makes a transfer in fraud of its creditors, or makes an assignment for the benefit of its creditors; or

D. Lessee voluntarily files, or has filed against it, a petition under any section or chapter of the Federal Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, or Lessee is adjudged bankrupt or insolvent in proceedings filed by or against Lessee thereunder; or

E. A receiver or trustee is appointed for all or substantially all of Lessee's assets; or

F. Lessee has abandoned the premises.

16. REMEDIES OF LESSOR.

A. If Lessee breaches this Lease, Lessor may recover from Lessee:

(1) The worth at the time of award of the unpaid rent which had been earned at the time of termination;

(2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided;

(3) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for such period that Lessee proves could be reasonably avoided; and

(4) Any other amount necessary to compensate Lessor for all the damage proximately caused by Lessee's breach of its obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom.

B. Notwithstanding the foregoing, in the event Lessee has breached this Lease, the Lease, at Lessor's option, shall continue in full force and effect so long as Lessor does not terminate Lessee's right to possession of the premises, and in such event Lessor may enforce all of his rights and remedies under the lease, including the right to recover rent as it becomes due.

C.

(1) The "worth at the time of award" of the amounts referred to above in subparagraph A(1) and (2) shall be computed by allowing interest at the rate of ten percent (10%) per annum. The "worth at the time of award" of the amount referred to above in subparagraph A(3) shall be computed by discounting such amounts at the discount rate of the Federal Reserve Bank of San Francisco in effect at the time of award, plus one percent (1%).

(2) The "detriment proximately caused by Lessee's breach" referred to above in subparagraph A(4) shall include, without limitation, any and all broker's commissions incurred in re-leasing the premises.

(3) Any efforts by Lessor to mitigate the damages caused by Lessee's breach of this Lease shall not waive Lessor's right to recover the damages set forth above.

(4) No right or remedy conferred upon or reserved to Lessor in this Lease is intended to be exclusive of any other right or remedy granted to Lessor by statute or common law, and each and every such right and remedy shall be cumulative.

17. LESSOR'S ACCESS. Lessor and Lessor's agents shall have the right to enter the premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, or lenders, and making such alterations, repairs, improvements or additions to the premises or to the building of which they are a part as Lessor may deem necessary or desirable. Lessor may at any time place on or about the premises any ordinary "For Sale" signs and Lessor may at any time during the last ninety (90) days of the term thereof place on or about the premises any ordinary "For Lease" signs, all without rebate of rent or liability to Lessee.

18. HOLDING OVER. In the event Lessee holds over after the termination of this Lease, such holding over shall not be considered as being a renewal of this Lease, but rather shall be construed to be a tenancy from month to month under the same terms and conditions as provided in this Lease, except that the basic monthly rent shall be an amount equal to the amount set forth in this Lease increased by a percentage thereof equal to the percentage increase in the applicable U. S. Bureau of Labor Statistics, All Items, Consumer Price Index from the commencement of the term of this Lease to the scheduled termination date of this Lease. In no event, however, shall the basic monthly rental during the holdover period be lower than the basic monthly rental during the original term of this Lease.

19. ATTORNEY'S FEES. In the event either Lessor or Lessee shall bring any action or proceeding for damages for any alleged breach of any provision of this Lease, to recover rents, or to enforce, protect, or establish any right or remedy of either party, the prevailing party shall be entitled to recover as part of, or incident to, such action or proceeding, all attorneys' fees and court costs incurred in the preparation and processing of such action or proceedings.

20. NOTICES. Whenever notices are required to be given pursuant to the provisions of this Lease, notices shall be sent to either party, in writing and postage prepaid by certified or registered mail, addressed as follows:

To Lessor at: Lois Baker
c/o Nancy Baker

Ex. 6 Personal Privacy (PP)

With copy to: Daniel W. Holden
HOLDEN, FERGUS & CELIO
558 S. Harbor Blvd.
Anaheim, CA 92805

To Lessee at: PCA METAL FINISHING, INC.
1726 E. Rossllyn Ave.
Fullerton, CA 92634

Either party may change such address by written notice to the other party.

21. MISCELLANEOUS. It is understood and agreed that for convenience the premises at 1706 East Rossllyn and as defined in Exhibit "A" hereto, are being leased to Lessee under the terms and conditions of this Lease. It is understood, however, that the said premises at 1706 East Rossllyn consisting of a 3,000

square foot building and the parking premises to the rear thereof, are in fact owned by Colleen Frojen and Nancy Alexander, the daughters of Lois and Colin Baker. Lessor agrees to make such allocations of rental as may be necessary to effectuate the purposes of this Lease, and Lessee need not be concerned therewith.

Lessee agrees to consent to any parcel map or subdivision as required by the City of Fullerton for the purposes of separating Lessee's parcel as a separate legal parcel.

Lessor and Lessee have caused this Lease to be executed as of the day and year first above written.

LESSOR:

BAKER DEVELOPMENT COMPANY
A Partnership composed of
the following:

Lois S. Baker, et al, Trustees
of the Lois and Colin Baker
Trust

By Lois S. Baker
Lois S. Baker

LESSEE:

PCA METAL FINISHING, INC.

By [Signature]
Its Controller

The undersigned, jointly and severally, in consideration of Lessors entering into the within lease with PCA METAL FINISHING, INC., guarantee full and faithful performance by Lessee of all the promises and conditions on the part of Lessee to be performed under all terms of the lease. The undersigned waive all notices of nonperformance and agree that Lessor may serve such notices upon Lessee; and that Lessor and Lessee may agree to modify the lease from time to time without notice to the undersigned, but that the undersigned will be liable only for the rental and charges as set forth in this lease.

[Signature]
James C. Hart, Jr.

President

square foot building and the parking premises to the rear thereof, are in fact owned by Colleen Frojen and Nancy Alexander, the daughters of Lois and Colin Baker. Lessor agrees to make such allocations of rental as may be necessary to effectuate the purposes of this Lease, and Lessee need not be concerned therewith.

Lessee agrees to consent to any parcel map or subdivision as required by the City of Fullerton for the purposes of separating Lessee's parcel as a separate legal parcel.

Lessor and Lessee have caused this Lease to be executed as of the day and year first above written.

LESSOR:

BAKER DEVELOPMENT COMPANY
A Partnership composed of
the following:

Lois S. Baker, et al, Trustees
of the Lois and Colin Baker
Trust

By _____
Lois S. Baker

LESSEE:

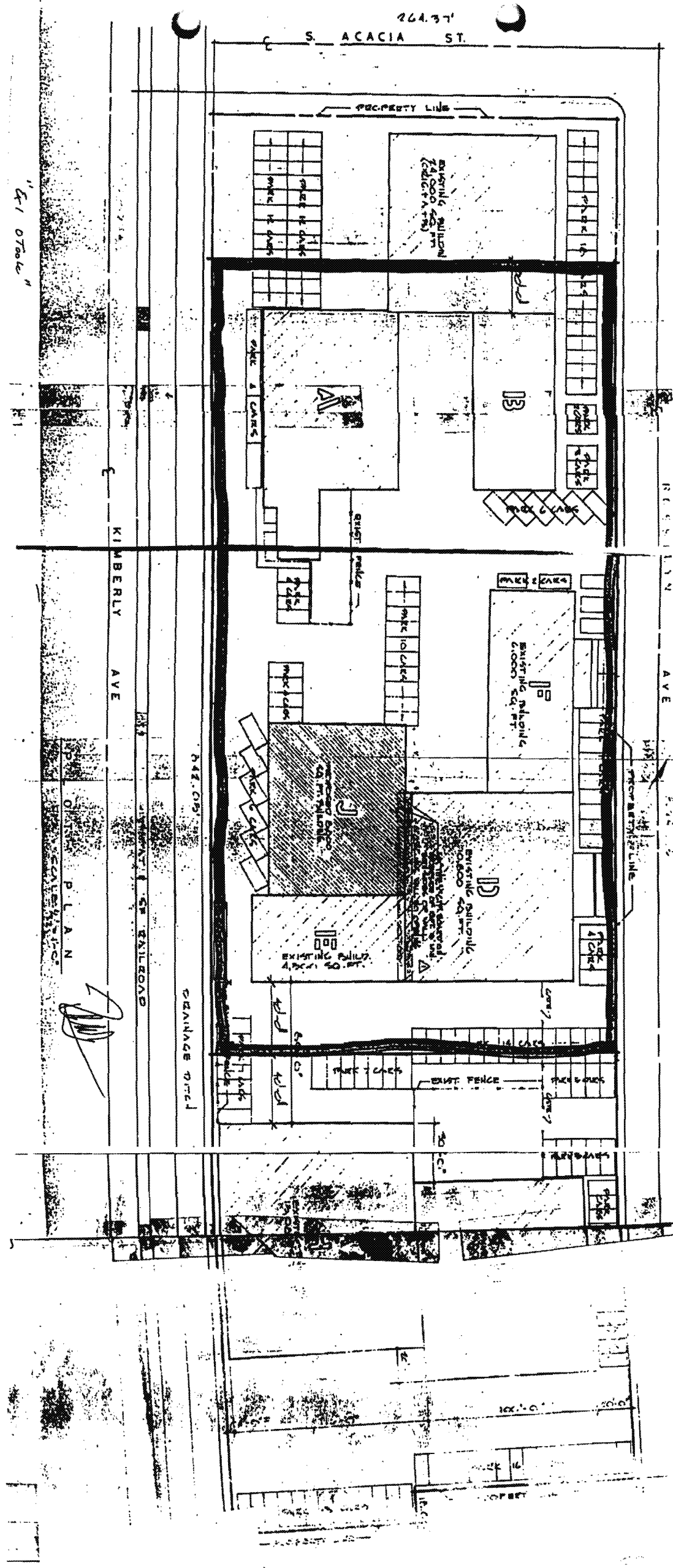
PCA METAL FINISHING, INC.

By 
Its Controller

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James C. Hart, Jr.

President



"41 0706"

PLAN

ED 002793A_00005580-00032

LEASE EXTENSION AGREEMENT

This Lease Extension Agreement is entered into by and between NANCY BAKER and COLLEEN FROJEN, successors in interest to BAKER DEVELOPMENT COMPANY, ("Lessor") and PCA METAL FINISHING, INC. ("Lessee").

RECITALS"

This Lease Extension Agreement "Lease" is entered into to extend that certain lease dated August 29, 1986 by and between the same parties, the term of which lease had been extended to August 31, 1999 which extension has expired and under which the parties have been acting on a month-to month basis. Lessee agrees to pay the lump sum rental amount of \$14,000.00 upon execution hereof as additional rental from September 1, 1999 to date. The parties are desirous of extending the Lease for an additional term as set forth herein.

IT IS THEREFORE AGREED:

1. **Effect of Existing Lease.** Except as specifically set forth herein that certain Lease dated August 29, 1986, a copy of which is attached hereto as Exhibit A and the Lease Extension Agreement dated November 27, 1994 attached hereto as Exhibit B are incorporated herein and all of the terms and conditions intended to be fully effective.
2. **Term.** The term of this Lease Extension is deemed to commence November 1, 2000, continuing the Lease attached as Exhibit A and Exhibit B and terminates October 31, 2001.
3. **Rental.** The rental shall be the sum of \$11,500.00 per month, payable monthly in advance at such place as may be designated by Lessor in writing on the first day of each calendar month during the term hereof.

In addition to the rent set forth above, Lessee's rental obligation, all as more particularly set forth in this Lease, includes payment of amounts attributable to real property taxes and assessments, utilities, and insurance premiums.

4. Notices. Whenever notices are required to be given pursuant to the provisions of this Lease, notices shall be sent to either party, in writing and postage prepaid by certified or registered mail, addressed as follows:

To Lessor at:

Nancy Baker

Ex. 6 Personal Privacy (PP)

With copy to:

Daniel W. Holden
COOKSEY, HOWARD, MARTIN & TOOLEN
535 Anton Blvd., Tenth Floor
Costa Mesa, CA 92626

To Lessee at:

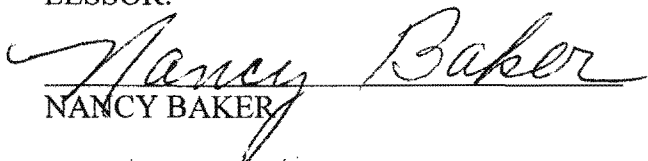
PCA METAL FINISHING, INC.
1726 E. Rossllyn Avenue
Fullerton, CA 92634

Either party may change such address by written notice to the other party.

- 6, Confirmation of Lease. Except as expressly stated that Lease attached hereto as Exhibit A and Extension attached as Exhibit B are in full force and effect for the term set forth in this document. This Agreement may be signed in counterpart.

DATED: January 15, 2001

LESSOR:

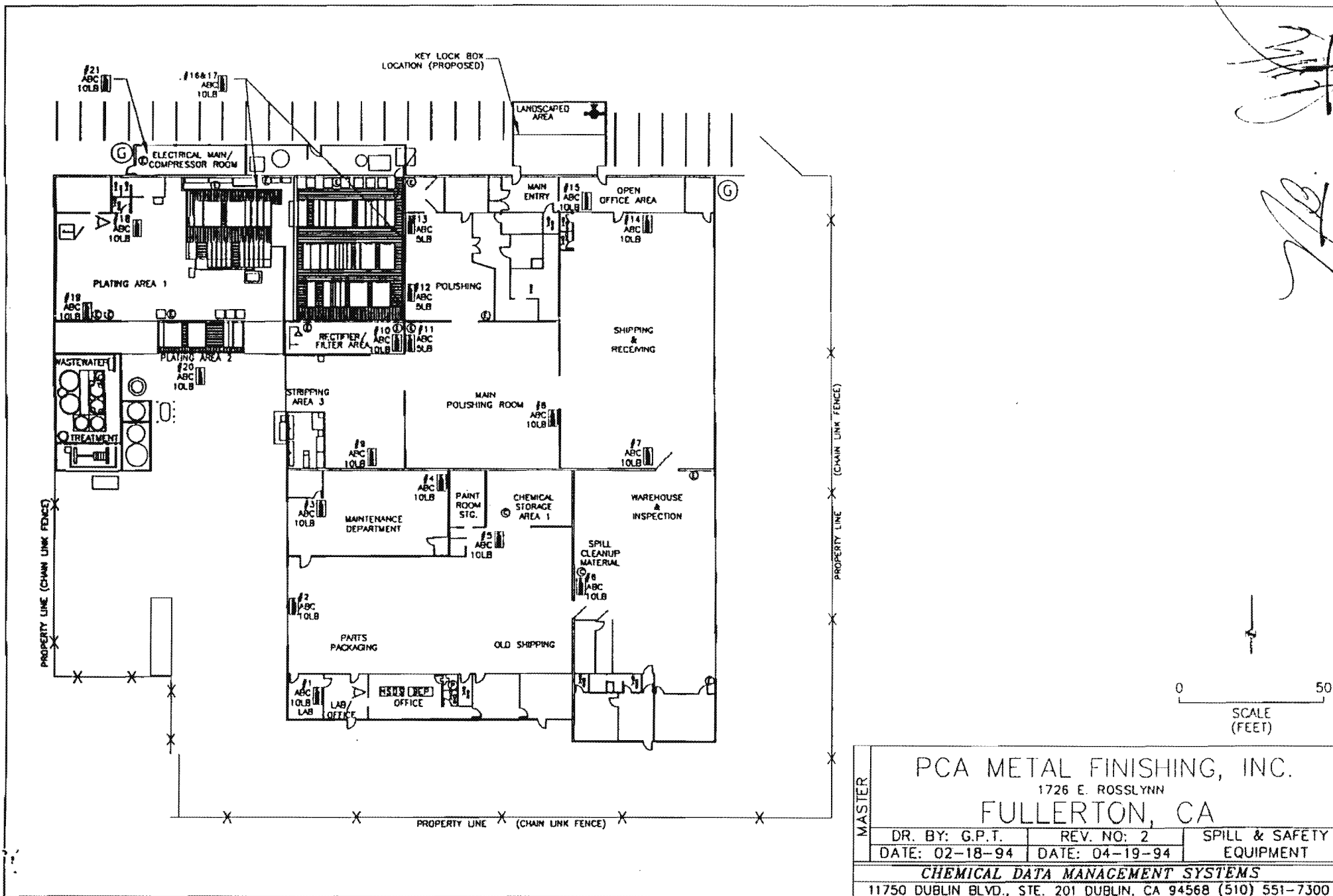

NANCY BAKER

LESSEE:

PCA METAL FINISHING, INC.


COLLEEN FROJEN

By: _____
ROBERT H. WINTERS



MASTER	PCA METAL FINISHING, INC.		
	1726 E. ROSSLYNN		
	FULLERTON, CA		
	DR. BY: G.P.T.	REV. NO: 2	SPILL & SAFETY
	DATE: 02-18-94	DATE: 04-19-94	EQUIPMENT
CHEMICAL DATA MANAGEMENT SYSTEMS			
11750 DUBLIN BLVD., STE. 201 DUBLIN, CA 94568 (510) 551-7300			

East Kimberly Avenue

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[Signature]

NFPA Placarding Map
Scale: 1" = 50 feet

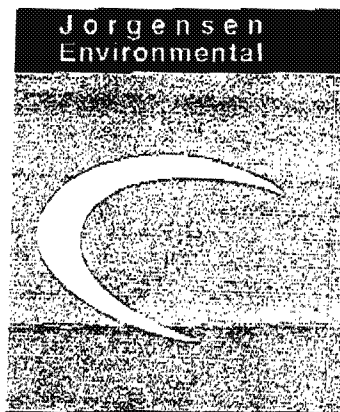
Orange County Metal Processing
1711 East Kimberly Avenue
Orange County Painting
1710 East Rossllyn Avenue
Fullerton, California



Jorgensen Environmental

Daren E. Jorgensen
Bruce A. Armbruster
Brian T. Thorne
Robin M. Lee
Peter G. Stein
Jeff W. Quimby
Aarilyn M. Chapman

Air Quality
Auditing
Compliance Services
Engineering
Fire & Building Code
Health & Safety
Industrial Hygiene
Monitoring
New Site Selection
Permitting
Power Solutions
Project Management
Risk Assessment
Strategic Planning



Corporate Headquarters
10374 Trademark Street
Rancho Cucamonga, CA 91730
Voice 909.483.3300
Fax 909.483.3306

Northern California
Voice 925.244.9118

Texas
Voice 214.398.5900

VIA CERTIFIED MAIL, RETURN RECEIPT

Ms. Nancy L. Baker
Baker Development of Laguna Hills

18 October 2001

Ex. 6 Personal Privacy (PP)

Re: Notification of Change of Ownership for PCA Metal Finishing, Inc.

Dear Nancy:

This is a notice to the change of ownership for PCA Metal Finishing, Inc. located at 1726 East Rossllyn Avenue in Fullerton, California ("facility"). Operations formerly conducted by PCA Metal Finishing, Inc. are now owned and operated by PCA Industries, LLC. PCA Industries, LLC will continue to operate the two existing on-site fixed treatment units for the treatment of hazardous waste under the permit by rule tier of the California tiered permitting structure at the facility. PCA Industries neutralizes spent acid and alkaline cleaners, precipitates metals from flowing metal finishing rinses in order to meet local sewer discharge limitations, and thermally dries the resultant wastewater sludge.

Please call me or Daren with any comments or questions.

Sincerely,

Bruce A. Armbruster
Vice President

Daren E. Jorgensen
President

cc: Mr. Tony Rezzuti, PCA Industries, LLC, via email

enclosures, 12066, S:\Documents\Clients\PCAA_Pacific Coast Alloy\PCAA_Pacific Coast Alloy\PCAXPBR0112066LTR_cover letter for Property Owner Notification.doc

JE Compliance Services, Inc.

Oct. 25 2001 08:07AM P2

FAX NO. : 949 4978387

FROM : THE MAIL STOP INC